

FILE COPY



OFFICE OF THE COMPTROLLER
CITY OF ST. LOUIS



DARLENE GREEN
Comptroller

Internal Audit Section

Carnahan Courthouse Building
1114 Market St., Room 608
St. Louis, Missouri 63101
(314) 622-4723
Fax: (314) 613-3004

August 27, 2008

Halbert Sullivan, Executive Director
Father Support Center St. Louis
4411 N. Newstead Avenue
St. Louis, MO 63115

RE: Fiscal Monitoring Report of Fathers' Support Center, Workforce Investment Act
(WIA) Program, Contract #110-08, CFDA #17.258, #17.259, and #17.260
(Project #2008-SLATE4)

Dear Mr. Sullivan:

Enclosed is a report of our fiscal monitoring review of Fathers' Support Center St Louis, a not for profit organization, WIA program, for the period July 1, 2007 through November 30, 2007. The scope of a fiscal monitoring review is substantially less than an audit and, as such, we do not express an opinion on the financial operations of Fathers' Support Center St. Louis. Our fieldwork was completed on March 25, 2008.

This review was made under authorization contained in Section 2, Article XV of the Charter, City of St. Louis, as revised, and has been conducted in accordance with the *International Standards for Professional Practice of Internal Auditing* and through an agreement with the St. Louis Agency on Training and Employment to provide fiscal monitoring to all grant sub-recipients.

If you have any questions, please call me at (314) 622-4723.

Sincerely,

A handwritten signature in black ink, appearing to read "Mohammad H. Adil".

Mohammad H. Adil, CPA
Internal Audit Manager

Enclosure

cc: Tom Jones, Director, St. Louis Agency on Training and Employment
Kim Neske, Fiscal Manager, St. Louis Agency on Training and Employment



CITY OF ST. LOUIS

ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT

*FATHERS' SUPPORT CENTER ST. LOUIS
WORKFORCE INVESTMENT ACT (WIA) PROGRAM*

*CONTRACT #110-08
CFDA# 17.258, 17.259, 17.260*

*FISCAL MONITORING REVIEW
JULY 1, 2007 THROUGH NOVEMBER 30, 2007*

PROJECT #2008 -SLATE4

DATE ISSUED: August 27, 2008

*Prepared by:
Internal Audit Section*



OFFICE OF THE COMPTROLLER

HONORABLE DARLENE GREEN, COMPTROLLER

**CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT
FATHERS' SUPPORT CENTER ST. LOUIS
FISCAL MONITORING REVIEW
JULY 1, 2007 THROUGH NOVEMBER 30, 2007**

TABLE OF CONTENTS

<u>Description</u>	<u>Page(s)</u>
INTRODUCTION	
Background	1
Purpose	1
Scope and Methodology	1
CONCLUSION AND SUMMARY OF OBSERVATIONS	
Conclusion	2
Status of Prior Observations	2
A-133 Status	2
Summary of Current Observations	2
OBSERVATIONS, RECOMMENDATIONS, AND MANAGEMENT'S RESPONSES	3-4

**CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)
FATHERS' SUPPORT CENTER ST. LOUIS
WORKFORCE INVESTMENT ACT (WIA) PROGRAM
FISCAL MONITORING REVIEW
JULY 1, 2007 THROUGH NOVEMBER 30, 2007**

INTRODUCTION

Background

Contract Name: Fathers' Support Center St Louis
Contract Number: 110-08
CFDA Number: 17.258, 17.259 & 17.260
Contract Period: July 1, 2007 through June 30, 2008
Contract Amount: \$110,000.00

This contract provides Workforce Investment Act funds through the St. Louis Agency on Training and Employment (SLATE) to Fathers' Support Center St. Louis (Agency) for its Workforce Investment Act Adult/Parents Fair Share Program. The Agency was responsible for the recruitment and enrollment of at least 50 adults, and providing them with job seeking skills, job development/placement, and follow up.

Purpose

The purpose of our review was to determine the Agency's compliance with federal including OMB Circular A-133, state and local SLATE requirements for the period July 1, 2007 through November 30, 2007, and make recommendations for improvements, if necessary.

Scope and Methodology

We made inquiries regarding the Agency's internal controls relating to the grant administered by SLATE, tested evidence supporting the reports the Agency submitted to SLATE and performed other procedures considered necessary. Our fieldwork was substantially complete on March 25, 2008. Management's response to the observation noted in the report was received on May 2, 2008 and have been incorporated into the report.

**CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)
FATHERS' SUPPORT CENTER ST. LOUIS
WORKFORCE INVESTMENT ACT (WIA) PROGRAM
FISCAL MONITORING REVIEW
JULY 1, 2007 THROUGH NOVEMBER 30, 2007**

CONCLUSION AND SUMMARY OF OBSERVATIONS

Conclusion

The Agency did not fully comply with federal including OMB Circular A-133, state, and local SLATE requirements.

Status of Prior Observations

There were no observations found in a previous fiscal monitoring review of the Agency dated December 22, 2006 conducted by the Comptroller's Office Internal Audit Section (Project #2007-SLATE11).

An observation was found in a special fiscal monitoring review of the Agency, conducted by the Comptroller's Office Internal Audit Section, and dated September 19, 2006 (Project #2007-SLATE 4) as follows:

- The Agency did not maintain accurate time reports and did not show the actual time spent on each activity. **Resolved.**

The Agency's management agreed with the observation and implemented changes to the time reporting for the one (1) employee noted in the observation. However, management disagreed with the requirement to separate time spent on each activity for all employees who worked under the SLATE contract. Management stated the task would be too time-consuming for their small agency with little or no resulting cost benefits, since employees who work under the SLATE contract perform all five (5) duties during the course of a day.

A-133 Status

According to a letter received from Agency management, the Agency was not required to obtain an A-133 audit for the period ended December 31, 2007 because it did not expend \$500,000.00 or more in Federal funds.

Summary of Current Observations

We made recommendations for the following observations, which if implemented, could assist the Agency in fully complying with federal including OMB Circular A-133, state and local SLATE requirements:

CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)
FATHERS' SUPPORT CENTER ST. LOUIS
WORKFORCE INVESTMENT ACT (WIA) PROGRAM
FISCAL MONITORING REVIEW
JULY 1, 2007 THROUGH NOVEMBER 30, 2007

1. Non-compliance With Contractual Changes

OBSERVATIONS, RECOMMENDATIONS, AND
MANAGEMENT'S RESPONSES

1. **Non-compliance With Contractual Changes**

Per Contract #110-08, paragraph #22, page 6, titled, "Audit Provisions":

"The Contractee shall maintain such records and accounts as are necessary to assure proper accounting for the billing and receipt of all contract funds."

The agency was not in compliance, as they did not adjust to budget changes under the new contract. The Agency did not adjust their Service Units reimbursement amounts from fiscal year 2007 to reflect the changes to the new contract in fiscal year 2008. As a result, their reimbursement request did not reflect the true service unit amount entitled for reimbursement.

Based on the November 2007 reimbursement request, the amount reimbursed to the Agency by SLATE did not correspond with the amount indicated on the contract. The reimbursement request showed that \$1430.00 per person was paid under the category "Recruitment", \$396.00 per person for "Short Term Service", and \$374.00 per person for "Job Development/Placement". There were 9 persons in November who were recruited and received short-term services, which made the total reimbursed amount to be \$12,870.00 for Recruitment and \$3564.00 for Short Term Service. Also, two (2) people were placed in Job Development/Placement, which resulted in the reimbursement amount of \$748.00. This brings the total reimbursement amount for November 2007 to be **\$17,182.00**. According to the SLATE contract, the amount per person for "Recruitment" should be \$1,374.02, "Short-term Service" \$435.81, and "Job Development/Placement" \$487.72. If payment was to be based on the contract amounts, the 9 Recruitment and Short-term Services recipients should have totaled \$12,366.18, and \$3,922.29 respectively. The two (2) placements in Job Development/Placement should have totaled \$975.44 and the total contract reimbursement amount should have been **\$17,263.91**. The discrepancy between what the Agency requested and the contract's budget amount resulted in the Agency being under-reimbursed by **\$81.91**.

CITY OF ST. LOUIS
ST. LOUIS AGENCY ON TRAINING AND EMPLOYMENT (SLATE)
FATHERS' SUPPORT CENTER ST. LOUIS
WORKFORCE INVESTMENT ACT (WIA) PROGRAM
FISCAL MONITORING REVIEW
JULY 1, 2007 THROUGH NOVEMBER 30, 2007

OBSERVATIONS, RECOMMENDATIONS, AND
MANAGEMENT'S RESPONSES

1. Continued...

Category	# of Units Reported	Unit Cost / Report	Reported Total	Unit Cost per Contract	Contract Total	Variance
Recruitment	9	\$1,430.00	\$12,870.00	\$1,374.02	\$ 2,366.18	\$(503.82)
Short Term Services	9	396.00	3,564.00	435.81	3,922.29	358.29
Job Development	2	374.00	748.00	487.72	975.44	227.44
TOTAL			\$17,182.00		\$17,263.91	\$ 81.91

Recommendation

It is recommended that the Agency correct the amounts on their reimbursement requests to reflect their current SLATE budget, as outlined in Contract #110-08.

Management's Responses

The Fathers' Support Center has corrected the reimbursement amounts as reflected in the 2008 contract. An example of our correct form from November 2007 and March 2008 is attached.

We thank you for bringing this to our attention and hope the above information is sufficient to correct the deficiency.

Auditor's Comment

Based on the information submitted, this observation is considered resolved.